



January 29, 1983

Not referred to DOC. Waiver
applies.

MEMORANDUM FOR JUDGE WILLIAM CLARK

From: Lionel H. Olmer *LHO*

I have been asked by your staff for recommendations for appointment to the soon-to-be established U.S.-Japan Wise Men's Group, and I would like to advance the nomination of Leo Cherne.

Mr. Cherne is now Executive Director of the Research Institute of America, possibly the world's largest business advisory service. He has had a long history of involvement in both international and domestic economic matters. Of great significance relative to the responsibilities of the Wise Men's Group, Mr. Cherne served on General MacArthur's staff in Tokyo after World War II, personally drafting the laws and regulations to restructure the "Zaibatsu" system and to revise the Japanese tax code. (Working with him at that time were several young Japanese who are now prominent in Japanese Government affairs, such as Keichi Miyazawa, former head of the Economic Planning Board, and the most recent Chief Cabinet Secretary to Prime Minister Suzuki.)

Mr. Cherne presently serves the Administration in a consultant's capacity as Vice Chairman of the President's Foreign Intelligence Advisory Board (PFIAB). If any would question the advisability of someone on PFIAB also serving in a capacity such as the Wise Men's Group, the following is instructive:

- The PFIAB is not part of the intelligence community; it is a Board of part-time advisors who review the adequacy and relevance of intelligence product.
- Many PFIAB members serve in a wide variety of public and private sector roles, ranging from other Presidential advisory committees to corporate directors; internationally constituted "think-tanks" and publishing organizations; and full-time employees of businesses with substantial government involvement. PFIAB membership is not and should not be dispositive of suitability to serve in any other important advisory capacity.
- During the Ford Administration, Mr. Cherne served as a member of the U.S. Advisory Commission on International Cultural and Educational Affairs...while he was first a member and later Chairman of President Ford's PFIAB.

Because of the critical nature of the U.S.-Japan economic relationship at this time and the potential that the Wise Men's Group has for helping to identify, articulate and possibly contribute towards resolution of some of our problems, I can't imagine anyone better suited for membership than Leo Cherne.

I don't know whether Mr. Cherne would like to or would be able to accept this appointment if asked.

